

MINUTES
SENATE RESOURCES & ENVIRONMENT COMMITTEE

DATE: Wednesday, January 30, 2013

TIME: 1:30 P.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Pearce, Vice Chairman Bair, Senators Cameron, Siddoway, Brackett, Heider, Tippetts, Stennett and Lacey

**ABSENT/
EXCUSED:**

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Pearce** called the meeting to order at 1:30 p.m.

He announced that a Gubernatorial appointment had been missent to this Committee and asked for a motion to send it back to the floor to be re-referred.

MOTION: **Vice Chairman Bair** moved that the Gubernatorial Appointment of Carol Mascarenas be returned to the floor to be re-referred to the proper committee. The motion was seconded by **Senator Siddoway**. The motion carried by **unanimous voice vote**.

MOTION: **Senator Brackett** stated that he has reviewed the minutes of January 18 and asked for their approval. The motion was seconded by **Senator Heider**. The motion carried by **unanimous voice vote**.

Chairman Pearce called on Mr. Tom Schultz, Director, Idaho Department of Lands (Department), to present his RS.

RS 21628 **Director Schultz** said this legislation is related to oil and gas conservation and it will replace the current members of the commission, who are also the State Land Board, with five Gubernatorial appointees. The appointed commission members would include one member knowledgeable in oil and gas; one member knowledgeable in geology; one member knowledgeable in water; one private land owner with surface and mineral rights in an area with oil and gas activity; and one private land owner without mineral rights.

The **Director** said the exact process for member selection has not been determined, but they will be appointed by Governor Otter to four year terms. The terms would be staggered initially to avoid all five terms expiring at the same time.

The legislation would also establish commission member terms, election of officers, commission member compensation, frequency of meetings, staffing, and other duties. Lastly, it allows the new commission to designate hearing officers, establish advisory committees related to oil and gas, and otherwise perform the duties associated with oil and gas regulation in Idaho. To help perform these duties, the new commission can either retain the Department as their administrative agency and the Department's Director as their secretary, or they may hire their own staff and secretary.

Regarding the fiscal impact, **Director Schultz** said the base appropriation previously established for the commission is adequate to cover the potential cost of commission meeting expense and member compensation. There is no additional impact to the General Fund.

Chairman Pearce stated that he may have a potential conflict of interest, as he has had oil and gas leases for 20-30 years.

Director Schultz closed his remarks by saying the Oil and Gas Conservation Commission supports this proposed statutory change.

MOTION: **Senator Siddoway** made the motion to send **RS 21628** to print. The motion was seconded by **Senator Heider**. The motion carried by **unanimous voice vote**.

Chairman Pearce called on Ms. Sharon Kiefer, Deputy Director for the Idaho Department of Fish and Game (IDFG), to present IDFG's four bills.

S 1001 **Ms. Kiefer** said this bill amends Section 36-107, Idaho Code, to remove the obsolete job classification term of "state wildlife veterinarian" for purposes of agreement between the University of Idaho Caine Veterinary Teaching and Research Center (Caine Center) and the Department of Fish and Game for disease research regarding the interaction of disease between wildlife and domestic livestock. For some years prior to 2010, the Idaho State Department of Agriculture and IDFG jointly funded a state wildlife veterinarian to facilitate coordination of these issues in addition to funding their own agency veterinarian (i.e. 1.5 veterinarians per agency). Idaho Code directed coordination and agreement of the Caine Center with the specific state wildlife veterinarian for use of the \$100,000 of IDFG's funds that are annually transferred to the Caine Center. With more recent revenue conditions and improved coordination, funding the shared veterinarian was reduced to just funding a veterinarian for each agency, which has not resulted in a loss of service or coordination between either agency.

Ms. Kiefer said to ensure continued coordination regarding use of these funds, the bill directs the coordination and agreement on the use of IDFG's funds relative to interaction of disease between wildlife and domestic livestock to occur between the Caine Center and the Director of IDFG, who acts under the supervision and direction of the Fish and Game Commission.

Ms. Kiefer stated that IDFG requests the committee's support for this bill.

MOTION: **Senator Heider** made the motion to send **S 1001** to the floor with a do pass recommendation. The motion was seconded by **Senator Cameron**. The motion carried by **unanimous voice vote**. The floor sponsor of this bill is **Senator Lacey**.

S 1002 **Ms. Kiefer** said this bill accomplishes two primary objectives and cleans up some terms: 1) It amends Section 36-111, Idaho Code, to exempt duplicate licenses and tags, which are classified as "Class 7" from the \$2.00 set-aside requirement for each combination or hunting license sold and from the \$1.50 set-aside for each pronghorn antelope, elk and deer tag. The rationale for this change is that these set-aside requirements were met at the time of the original license or tag purchase. For example, a resident elk tag costs \$29.00 and a duplicate tag costs \$5.50, excluding vendor fee. Also for reference, the \$2.00 set-aside from the licenses is for the purpose of acquiring access and for acquiring and rehabilitating big game ranges and upland bird and waterfowl habitats. The \$1.50 set-aside from the tags is for a combination of emergency winter feeding and control of depredation of private property by pronghorn antelope, elk and deer and control of predators affecting these species. Shifting the set-aside allocation from duplicate licenses and tags from the set-asides will not have significant revenue effect on them. For example, based on our Fiscal Year (FY) 2012 duplicate tag sales for 974 deer, elk and pronghorn antelope tags, there was only \$1,461 in revenue that went into emergency winter feeding and depredation.

2) The bill also amends Section 36-404, Idaho Code, to move disabled licenses into their own class, Class 9. This allows disabled licenses to be exempted from the \$2.00 set-aside requirement outlined in 36-111(b). The rationale for this change is that revenue from the disabled licenses is disproportionately directed to the set-aside account. For example, a resident combination license costs \$31.75 and a disabled combination license costs \$3.25, excluding vendor fee. Thus, for the regular license, six percent of the revenue is allocated to the set-aside but for the disabled license, 61 percent is allocated to the set-aside, which means that the revenue is not spread more evenly among all the department functions that support fishing and hunting. As provided in the fiscal note, the revenue still remains within the Fish and Game dedicated fund.

The bill also cleans up the term "antelope" to more appropriate term of "pronghorn antelope". They also added "permit" to the Class 7 duplicate reference to be more explicit about what is included in this class. **Ms. Kiefer** said IDFG requests the committee's support for this bill.

MOTION: **Senator Heider** made the motion to send **S 1002** to the floor with a do pass recommendation. The motion was seconded by **Senator Stennett**.

SUBSTITUTE MOTION: After much discussion, a substitute motion was made by **Senator Tippets** to hold **S 1002** in Committee. The motion was seconded by **Senator Bair**. The motion carried by a **majority voice vote**.

S 1003 **Ms. Kiefer** stated that this bill consolidates licenses for resident youth and for nonresident youth, creating a "one stop shop" for youth licensing for hunting. The following illustrates their rationale for this change: currently, if you are a resident who is eleven in February and want to hunt turkeys that spring, you would have to purchase a Youth Small Game License. But, if you turn twelve in September and want to hunt elk that fall, then you have to purchase a Junior Hunting License. Both licenses carry the same cost.

Ms. Kiefer said that IDFG has had feedback that our youth license structure was confusing because of uncertainty about which license was required so they think this is good for customer service and for reducing barriers to youth hunting. Simplifying license structure also makes good administrative sense for IDFG. Unfortunately, they have to amend four sections of Idaho Code to accomplish the consolidation: 36-404, 36-406, 36-407, and 36-416. Some of the terminology in these sections have been revised.

Consolidation of the youth licenses does not change any of the statutory age limitations that are currently applied for hunting turkeys and big game, i.e. you would still need to be ten years of age at the time of hunting for turkeys and twelve at the time of hunting for big game.

Ms. Kiefer indicated that there will be a small fiscal impact to nonresident customers who might have only purchased the nonresident Youth Small Game License without progressing into purchase of the Junior Mentored Hunting License. However, she said they know that this is a very small component of their nonresident youth hunters; they typically sell about twenty times more of the Junior Mentored Hunting License. For example, in FY 12, they only sold 89 nonresident Youth Small Game Licenses. If some of these individuals also then purchased a Junior Mentored Hunting License, then the consolidation would actually save them \$18.25. But, if they are a customer who would have only purchased the Youth Small Game License, then the purchase of the consolidated Junior Mentored Hunting License will cost them an additional \$11.75 (excluding vendor fee).

This bill also clarifies that the nonresident disabled license for nonresident disabled veterans who are hunting in association with a qualified organization is a hunting license, not a combination license because only hunting is allowed with this reduced fee license for nonresident disabled veterans. IDFG requests the Committee's support for this bill.

MOTION: **Senator Siddoway** made the motion to send **S 1003** to the floor with a do pass recommendation. The motion was seconded by **Senator Cameron**. The motion carried by **unanimous voice vote**. **Senator Siddoway** will be the floor sponsor of this bill.

S 1004 **Ms. Kiefer** said this bill creates a new three year license for adult licenses, junior licenses, resident senior licenses and resident disabled persons licenses. Purchase of a three year license would be voluntary because our existing lifetime license and annual licenses would still be available.

Ms. Kiefer stated that IDFG has been investigating aspects of their licensing that would create a more desirable product for their customers to meet both customer service and revenue objectives. They did an analysis of their fishing license database over about the last ten years and it showed that of customers that bought a resident fishing license for the first time, 30 percent did not buy again in ten years, five percent bought a license in all ten subsequent years, and 27 percent bought a license in five or more years out of ten, in a wide variety of patterns. They call this inconsistent license purchase "churn". They know they have a lot of customers who consider themselves hunters and anglers, but may not be a consistent license purchaser.

In looking for ways to reduce "churn" and to improve revenue and customer service, IDFG sent a survey to 9,500 hunters and anglers that asked for their input on several license proposals, including a three year license. They found relatively high interest in purchase of a three year license; interest was higher for residents than nonresidents and the highest likelihood of purchase was for sportsmen who were 18 to 24 years of age, with the least interest for those who were 65 and older.

Ms. Kiefer said they felt this was a fairly positive response for moving this concept forward. So, as part of their effort to innovate using their feasible and available licensing technology to avoid or defer asking for license fee adjustment, IDFG has proposed the three year license.

Ms. Kiefer said that if there is a license fee increase in the future, IDFG would likely see an increase of three year license buyers to 'lock-in' before the increase takes effect. The offset is that perhaps the number of license buyers who lock-in may be more than the lost revenue from the increase. They also recognize there may be concerns about durability of a license to last three years. Their license paper has been improved and the print is guaranteed for 18 months barring the unfortunate wash in your jeans or a dip in saltwater. They are looking into feasibility and cost of rewritable cards. **Ms. Kiefer** reminded the Committee that every time a sportsman comes in for a validation on their license, such as a two-pole or archery permit, they reprint the license with the validations. They also work with their customers who bring in a valid license that is damaged to issue a duplicate free of charge. **Ms. Kiefer** said IDFG requests the Committee's support for this bill.

MOTION: **Vice Chairman Bair** made the motion to send **S 1004** to the floor with a do pass recommendation. The motion was seconded by **Senator Cameron**. The motion carried by **unanimous voice vote**. **Vice Chairman Bair** will be the floor sponsor for this bill.

ADJOURNED: **Chairman Pearce** adjourned the meeting at 2:50 p.m.

Senator Pearce
Chairman

Juanita Budell
Secretary